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20 UNITED STATES DISTRICT COURT

21 FOR THE CENTRAL DISTRICT OF CALIFORNIA

22 WESTERN DIVISION

23 UNITED STATES OF AMERICA,

24 No. 2:24-cv-07169

25 Plaintiff,

26 VERIFIED COMPLAINT FOR FORFEITURE

v.

27 18 U.S.C. §§ 981(a)(1)(A) and (C)
28 and 984

[U.S.S.]

29 \$1,296,912.00 IN BANK FUNDS IN
30 CATHAY BANK ACCOUNT '0462,
31 \$157,109.50 IN BANK FUNDS IN BANK
32 OF AMERICA ACCOUNT '0195, AND
33 \$60,656.47 IN BANK FUNDS IN
34 FLAGSTAR BANK ACCOUNT '7452,

35 Defendants.

36 Plaintiff United States of America brings this claim against
37 defendants identified herein (collectively, the "defendant funds"),
38 and alleges as follows:

39 JURISDICTION AND VENUE

40 1. The government brings this in rem civil forfeiture action

1 pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (C) and 984.

2 2. This Court has jurisdiction over the matter pursuant to 28
3 U.S.C. §§ 1345 and 1335.

4 3. Venue lies in this district pursuant to 28 U.S.C. § 1335.

5 **PERSONS AND ENTITIES**

6 4. The plaintiff in this action is the United States of
7 America.

8 5. The defendant funds consist of the following:

9 a. \$1,296,912.00 in bank funds seized pursuant to a
10 federal seizure warrant on January 10, 2024, from a Cathay Bank
11 account with the last four digits ending in 0462 ("Cathay Bank
12 Account '0462"), held in the name of Hepburn Trade Incorporated and
13 seized at Cathay Bank, 4128 Temple City Blvd, Rosemead, CA 91770;

14 b. \$157,109.50 in bank funds seized pursuant to a federal
15 seizure warrant on January 10, 2024, from a Bank of America account
16 with the last four digits ending in 0195 ("Bank of America Account
17 '0195"), held in the name of Sun Yang Trade LLC and seized at Bank of
18 America, 888 W. 7th Street #100, Los Angeles, CA 90017; and

19 c. \$60,656.47 in bank funds seized pursuant to a federal
20 seizure warrant on January 10, 2024, from a Flagstar Bank account
21 with the last four digits ending in 7452 ("Flagstar Bank Account
22 '7452"), held in the name of Octavia Trading Limited and seized at
23 Flagstar Bank, 1400 Broadway, 16th Floor, New York, NY 10018.

24 6. The defendant funds are currently in the custody of the
25 United States Secret Service ("USSS") in this District, where they
26 will remain subject to this Court's jurisdiction during the pendency
27 of this action.

28 7. The interests of Hepburn Trade Inc., Sun Yang Trade LLC,

1 Octavia Trading Limited, and the victims identified in Exhibit A may
2 be adversely affected by these proceedings.

3 **BASIS FOR FORFEITURE**

4 Background on Confidence Frauds

5 8. A "confidence fraud" involves a victim transferring money
6 and/or property as a result of being deceived or misled by the
7 offender. Often a fraudster deceives a victim into believing they
8 have a close relationship--whether familial, friendly, or romantic--
9 and leverages that relationship to persuade the victim to send money,
10 provide personal and financial information, and/or purchase items of
11 value.

12 9. Victims of confidence frauds often do not recognize that
13 they are being defrauded for many months or more, and sometimes never
14 recognize that they have been defrauded, because they are, or believe
15 they are, in a legitimate relationship with the person making the
16 false claims or promises to them. Therefore, it is not uncommon to
17 observe multiple wires and transfers being sent to the same
18 beneficiary or multiple beneficiaries over a period of time. Some
19 victims of confidence frauds are not completely truthful with, or
20 seek to impede, law enforcement officers who question them about the
21 money they have transferred, in part to protect their purported
22 friend.

23 10. Sometimes digital currency, also known as "crypto
24 currency," "cryptocurrency" and "virtual currency," is used in
25 confidence frauds. Digital currency is generally defined as an
26 electronic-sourced unit of value that can be used as a substitute for
27 fiat currency (i.e., currency created and regulated by a government),
28 but unlike fiat currency has no physical form and instead exists

1 entirely on the internet. In addition, digital currency is generated
2 and controlled through computer software operating on a decentralized
3 peer-to-peer network. Digital currency is often used for conducting
4 illegal transactions or for concealing or disguising the true nature,
5 source, location, ownership, or control of illegally obtained
6 criminal proceeds. Bitcoin is one of the most commonly used digital
7 currencies.

8 11. A digital currency exchange (an "exchange") is a brick-and-
9 mortar or online business that allows customers to trade digital
10 currencies for fiat currencies or other digital currencies. Most
11 exchanges are located outside the United States in order to avoid
12 regulation and legal requirements. Coinbase, which operates in the
13 United States, is one of the largest and most popular exchanges.

14 *The Law Enforcement Investigation in This Case*

15 12. The USSS has investigated a confidence fraud whereby
16 multiple victims transferred funds based on fraudulent pretenses
17 directly into the accounts from which the defendant funds were
18 seized. As part of the investigation, the USSS learned the
19 information set forth below.

20 *Victim E.W. is Defrauded*

21 13. In September 2023, E.W. began to communicate with a female
22 who went by the name Oksana Lupulyak ("Lupulyak") on the website
23 LinkedIn. Lupulyak told E.W. she was born in China, now lives in
24 Irvine, CA and is a partial owner of a beauty salon in Los Angeles,
25 CA called Navilla Aesthetic Lounge. Lupulyak also told E.W. she has
26 an uncle named Zhang ("Zhang"), who trades crypto currency options.
27 Lupulyak advised E.W. to invest on a crypto currency platform called
28 Bakktig.com. E.W. would then call Zhang on the communication

1 application WhatsApp and Zhang would advise E.W. how to invest his
2 funds.

3 14. Starting in September 2023 and ending in November 2023,
4 E.W. made the following wire transfers: 1) \$233,690.00 to an account
5 in the name of Meiga Trading Limited, at Bank Limited, Hong Kong; 2)
6 \$1,000.00 to an account in the name of Chen-Haijian, at Standard
7 Charter Bank, Hong Kong; 3) \$65,000.00 to an account in the name of
8 Chen-Haijian, at Standard Charter Bank, Hong Kong; 4) \$750,000.00 to
9 Cathay Bank Account '0462; and 5) \$250,000.00 to Flagstar Bank
10 Account '7452.

11 15. E.W. received the bank wire information via text message
12 from a customer service representative on the Bakktig.com website.
13 E.W. never inquired with a customer service representative of
14 Bakktig.com why his funds were being sent to different bank accounts.
15 In November 2023, E.W. checked his account balance on the Bakktig.com
16 website and learned his account was purportedly now worth \$1.2
17 million. E.W. attempted to withdraw funds from his Bakktig.com
18 account and was told that his withdrawal needed to be approved by a
19 financial committee of Bakktig and the approval can take up to 48
20 hours. E.W. attempted a second request for withdrawal of funds and
21 was told he must deposit a "risk fund payment" of \$252,472.00 or his
22 funds balance would be turned over to a financial industry regulator.
23 At this time E.W. began to suspect he was a victim of a scam and
24 researched the website Bakktig.com. E.W. learned there is a
25 legitimate crypto currency web site called Bakkt.com, and he
26 confirmed with a representative of Bakkt.com that the Bakktig.com
27 site is not part of their business.

28 16. In November 2023, a Cathay Bank investigator contacted the

1 authorized bank signer for Cathay Bank Account '0462 to inquire why
2 E.W. sent a \$750,000.00 wire transfer to the account. Cathay was
3 provided a purchase contract allegedly describing what E.W. had
4 purchased. The contract contained the following information: Contract
5 date 11/26/23; items purchased: 300 bearings NTN, cost \$106,875.00;
6 400 bearings NSK, cost \$260,800.00; 300 hod rods crank shift kit,
7 cost \$204,000.00; and 250 tapered roller bearings, cost \$178,325.00;
8 for a total purchase contract amount of \$750,000.00. The contract
9 information is wholly inconsistent with the crypto currency
10 investment that was represented to E.W.

11 Victim G.S. is Defrauded

12 17. During the summer of 2023, G.S. met a female, who went by
13 the name Alisa, in a crypto currency chat room on the application
14 WhatsApp. G.S. and Alisa developed a quick friendship and
15 communicated on a weekly basis via text over the next several months.
16 Alisa told G.S. she was from Idaho and worked in the software
17 industry. Alisa encouraged G.S. to invest in crypto currency and
18 told her to use the crypto trading platform called AdogeUK. G.S.
19 decided to invest and would log onto the website of AdogeUK and
20 obtain bank account and routing information of where to send her
21 funds from a customer service representative.

22
23 18. From September 2023 to November 2023, G.S. made the
24 following wire transfers: 1) \$72,800.00, to an account number ending
25 in 6834, at International Bank of Chicago; 2) \$30,000.00 to Bank of
26 America Account '0195; 3) \$20,000.00, to an account number ending in
27 9177 at Bank of America; and 4) \$50,000.00, to Cathay Bank Account
28

'0462. G.S. has not yet tried to withdraw funds from her AdogeUK account and believes her account balance is composed of crypto currency and is secure in a "trust wallet."

4 19. The authorized signer for Cathay Bank Account '0462
5 provided Cathay a purchase contract allegedly detailing what G.S. had
6 purchased. The contract contained the following: Invoice date
7 11/27/23; Items purchased: 500 fastener kit boards, cost \$15,250.00;
8 200 gold plated sockets, cost \$18,000.00; 200 ring pulleys, cost
9 \$9,000.00; 500 hand wheels, cost \$7,750.00; for a total purchase
10 contract amount of \$50,000.00. The contract information is wholly
11 inconsistent with the crypto currency investment that was represented
12 to G.S.

Victim K.T. is Defrauded

14 20. In August 2023, K.T. began to communicate on the website
15 Meetup.com with a person who went by the name Nicole Broffer
16 ("Broffer"). Broffer told K.T. she was from Germany, forty-two years
17 old, and worked overseas in the medical manufacturing field. After a
18 few weeks of communicating on Meetup.com, Broffer and K.T.
19 communicated via text on WhatsApp. At first, K.T. considered his
20 relationship to be only a friendship, but later felt the relationship
21 was developing into a romantic relationship. Broffer told K.T. that
22 in December 2023 she would be taking a work trip to the United States
23 and that she would like to meet him. In September 2023, Broffer told
24 K.T. she invested in crypto currency and encouraged K.T. to invest as
25 well. Broffer told K.T. to use the crypto currency website trading
26 platform called Timetrading-wallet.com.

27 21. From September 2023 to November 2023, K.T. made the
28 following wire transfers: 1) \$83,000.00 to an account in the name of

1 AC Holding Limited, N. 3229 Lyford Cay, Nassau, Bahamas, 82720, at
 2 Summit National Bank; 2) \$63,000.00 wire transfer to an account in
 3 the name of Deltec Bank and Trust Limited, N 3229 Lyford Cay, Nassau,
 4 Bahamas, 82720, at United Texas Bank; 3) \$50,000.00 wire transfer to
 5 Flagstar Bank Account '7452; and 4) \$122,000.00 wire transfer to
 6 Cathay Bank Account '0462.

7 22. K.T. was provided bank account information via text message
 8 from a customer service representative on the Timetrading-wallet.com
 9 website. K.T. was also told that after receiving banking information
 10 he must wire transfer funds within four hours or contact customer
 11 service to obtain new banking account information. K.T. never asked
 12 why there was only a four-hour window or why his funds were being
 13 sent to different banks and account names. In early November 2023,
 14 K.T. checked his account on the Timetrading-wallet.com website and
 15 learned his balance was purportedly now worth \$809,499.00. K.T.
 16 attempted to have some of his account balance transferred to his bank
 17 account but was told that he must first pay \$122,000.00 to cover
 18 capital gain taxes and a service fee for tax preparation. K.T. agreed
 19 and sent a \$122,000.00 wire transfer to Cathay Bank Account '0462. A
 20 few days after sending the wire transfer, K.T. attempted to withdraw
 21 funds but was told he must pay a \$200,000.00 security deposit. K.T.
 22 did not pay the \$200,000.00 and a few days later attempted to log
 23 into Timetrading-wallet.com but was no longer able to access the
 24 website.

25 Tracing Fraud Proceeds into Cathay Bank Account '0462, Flagstar Bank
 26 Account '7452, and Bank of America Account '0195
 27
 28

1 23. The following fraudulent proceeds, described above, were
2 deposited into Cathay Bank Account '0462, Flagstar Bank Account
3 '7452, and Bank of America Account '0195:

4 a. On November 27, 2023, a \$750,000.00 wire to Cathay
5 Bank Account '0462; and on November 21, 2023, a
6 \$250,000 wire to Flagstar '7452, both from victim E.W.
7 (see paragraph 14 above);
8
9 b. On November 27, 2023, a \$50,000.00 wire to Cathay Bank
10 Account '0462; and October 27, 2023, a \$30,000 wire to
11 Bank of America Account '0195, both from victim G.S.
12 (see paragraph 18 above); and
13
14 c. On November 28, 2023, a \$122,000.00 wire to Cathay
15 Bank Account '0462; and on November 09, 2023, a
16 \$50,000 wire transfer to Flagstar Bank Account '7452,
17 both from victim K.T. (see paragraph 21 above).

18 24. In addition, the USSS has identified additional suspicious
19 deposits into the three seized accounts but has been unsuccessful in
20 contacting and interviewing the individuals associated with the
21 deposits/transfers and are believed to be victims of this scheme.
22
23 These other presumed victims made approximately \$8,366,842.84 in
24 suspicious deposits into the three accounts (the "Additional
25 Deposits"). Of the \$8,366,842.84 in Additional Deposits,
26 approximately \$374,972.00 was deposited into Cathay Bank Account
27 '0462, approximately \$4,575,292.00 was deposited into Flagstar Bank
28

1 Account '7452, and approximately \$3,416,578.84 was deposited into
2 Bank of America Account '0195.

3 25. The Additional Deposits share similarities with the above-
4 described fraud victim transfers into the three seized accounts, in
5 that they (1) were made in the same time period as the above-
6 described transfers of fraud proceeds; (2) were made from individuals
7 in locations throughout the United States without the kind of
8 geographic patterns that might be expected from a legitimate
9 business; (3) were made from people who had not previously deposited
10 funds in the accounts; and (4) were almost entirely made in large
11 round-dollar amounts, which are inconsistent with normal business
12 transfers (which typically reflect taxes and other costs).
13 Accordingly, the Additional Deposits are also fraud proceeds from
14 victims of this scheme.

15 26. The government seized \$1,296,912.00 from Cathay Bank
16 Account '0462. The specified transfers from victims E.W., G.S., and
17 K.T. described above (which total \$922,000.00) combined with the
18 Additional Deposits (which total \$374,972.00) represent a total of
19 \$1,296,972.00 of fraud proceeds traced into Cathay Bank Account
20 '0462, which exceeds the amount the government seized.

21 27. The government seized \$60,656.47 from Flagstar Bank Account
22 '7452. The specified transfers from victims E.W. and K.T. described
23 above (which total \$300,000.00) combined with the Additional Deposits
24 (which total \$4,575,292.00) represent a total of \$4,875,292.00 of
25
26
27

fraud proceeds traced into Flagstar Bank Account '7452, which exceeds the amount the government seized.

28. The government seized \$157,109.50 from Bank of America Account '0195. The specified transfer from victim G.S. described above (which totals \$30,000.00) combined with the Additional Deposits (which total \$3,416,578.84) represent a total of \$3,446,578.84 of fraud proceeds traced into Bank of America Account '0195, which exceeds the amount the government seized.

FIRST CLAIM FOR RELIEF

29. Based on the facts set out above, plaintiff United States of America alleges that the defendant funds constitute or are derived from proceeds traceable to violations of 18 U.S.C. § 1343 (wire fraud), which is a specified unlawful activity as defined in 18 U.S.C. §§ 1956(c)(7)(A) and 1961(1). The defendant funds are therefore subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C). In addition, to the extent that the defendant funds are not the actual monies directly traceable to the illegal activity identified herein, plaintiff alleges that the defendant funds are identical property found in the same account or place as the property involved in the specified offense, rendering the defendant funds subject to forfeiture pursuant to 18 U.S.C. § 984.

SECOND CLAIM FOR RELIEF

30. Based on the facts set out above, plaintiff United States of America alleges that the defendant funds constitute property involved in multiple transactions or attempted transactions in violation of 18 U.S.C. § 1956(a)(1)(B)(i), or property traceable to such property, with the specified unlawful activity being a violation of 18 U.S.C. § 1343 (wire fraud). The defendant funds are therefore

1 subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A). In
2 addition, to the extent that the defendant funds are not the actual
3 monies directly traceable to the illegal activity identified herein,
4 plaintiff alleges that the defendant funds are identical property
5 found in the same account or place as the property involved in the
6 specified offense, rendering the defendant funds subject to
7 forfeiture pursuant to 18 U.S.C. § 984.

8 **THIRD CLAIM FOR RELIEF**

9 31. Based on the facts set out above, plaintiff United States
10 of America alleges that the defendant funds constitute property
11 involved in multiple transactions or attempted transactions in
12 violation of 18 U.S.C. § 1957(a), or property traceable to such
13 property, with the specified unlawful activity being a violation of
14 18 U.S.C. § 1343 (wire fraud). The defendant funds are therefore
15 subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A). In
16 addition, to the extent that the defendant funds are not the actual
17 monies directly traceable to the illegal activity identified herein,
18 plaintiff alleges that the defendant funds are identical property
19 found in the same account or place as the property involved in the
20 specified offense, rendering the defendant funds subject to
21 forfeiture pursuant to 18 U.S.C. § 984.

22 WHEREFORE, plaintiff United States of America prays that:

23 (a) due process issue to enforce the forfeiture of the
24 defendant funds;

25 (b) due notice be given to all interested parties to appear and
26 show cause why forfeiture should not be decreed;

27 (c) this Court decree forfeiture of the defendant funds to the
28 United States of America for disposition according to law; and

(d) for such other and further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

Dated: August 23, 2024

E. MARTIN ESTRADA
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Section

/s/ Ryan Waters

RYAN WATERS
Assistant United States Attorney

Attorneys for Plaintiff
United States of America

VERIFICATION

I, Fred Apodaca, hereby declare that:

1. I am a Special Agent with the United States Secret Service.

2. I have read the above Verified Complaint for Forfeiture and its contents. It is based upon my own personal knowledge and facts provided to me by other law enforcement agents.

3. Everything contained in the Complaint is true and correct, to the best of my knowledge and belief.

9 I declare under penalty of perjury that the foregoing is true
10 and correct.

Executed August 18, 2024 in Los Angeles, California.

Fred Appler

FRED APODACA
Special Agent